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EXTRAORDINARY

PART II—Section 2

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RAJYA SABHA

The following Bill was introduced in the Rajya Sabha on the 10th August, 1956:—

BILL No. IX of 1956

A Bill further to amend the Chartered Accountants Act, 1949.

Be it enacted by Parliament in the Seventh Year of the Republic of India as follows:—

1. This Act may be called the Chartered Accountants (Amendment) Act, 1956.

XXXVIII of 1949. 2. In section 2 of the Chartered Accountants Act, 1949 (hereinafter referred to as the principal Act), in sub-section (2), the words of section 2, “individually or in partnership with chartered accountants” shall be omitted.

3. In section 4 of the principal Act, in sub-section (1), after clause (vi), the following clauses shall be inserted, namely:—

“(vii) any person who has been the holder of a restricted certificate as defined in clause (d) of sub-section (1) of section 2;

(viii) any person who is a Restricted State Auditor (R.S.A.) under the Restricted State Auditors’ Certificates (Part B States) Rules, 1951.”.

Insertion of section 7A.

4. After section 7 of the principal Act, the following section shall be inserted, namely:—

Number of companies of which a chartered accountant can be an auditor.

“7A. No chartered accountant shall, at any one time, hold the office of an auditor, under the Companies Act, 1956, of ^{1 of 1956.} more than twenty companies excluding unlimited companies and associations not carrying business for profit.”.

Amendment of section 10.

5. In section 10 of the principal Act, in sub-section (1), after the existing proviso, the following further proviso shall be inserted, namely:—

“Provided further that where ten or more voters are residing or practising within an area of 10 miles radius, the voting shall take place at a polling station.”.

Amendment of section 15.

6. In section 15 of the principal Act, in sub-section (2), clauses (a) and (b) shall be omitted.

Insertion of new section 15A.

7. After section 15 of the principal Act, the following section shall be inserted, namely:—

Examination Committee.

“15A. (1) The Council shall, from time to time, appoint an Examination Committee for—

(a) the examination of candidates for enrolment and the prescribing of fees therefor, and

(b) the regulation of the engagement and training of articled clerks.

(2) The Committee shall have not more than ten members consisting in equal proportion of chartered accountants and educationists who are not chartered accountants.

(3) The Committee shall be reconstituted once in every three years.

(4) The Council may make such rules as it deems fit for the purpose of giving effect to the provisions of this section.”.

Amendment of section 17.

8. In section 17 of the principal Act, in sub-section (1), clause (ii) shall be omitted.

Amendment of section 25.

9. In section 25 of the principal Act,—

(1) in sub-section (1), for the words “No company”, the words “No firm or company” shall be substituted;

(2) in sub-section (2),—

(i) for the words “If any company” the words “If any firm or company” shall be substituted; and

(ii) for the words “the company, every director, manager, secretary and any other officer thereof” the words “the firm or every partner of such firm or company or every director, manager, secretary and any other officer of such company” shall be substituted.

STATEMENT OF OBJECTS AND REASONS

Certain provisions exist in the Chartered Accountants Act, 1949, in respect of the examination of candidates, regulation of practical training, conduct of elections, practice of the profession of accountancy in partnership, inequitable distribution of audits of limited companies, etc., which are not conducive to the promotion of a healthy atmosphere in the profession. The Bill seeks to amend the Act to remedy this defect.

V. K. DHAGE.

MEMORANDUM REGARDING DELEGATED LEGISLATION

In the Bill provision has been made for the constitution of an Examination Committee for the examination of candidates for enrolment as Chartered Accountants and for the regulation of the engagement and training of articled clerks. It has also been provided that this Committee should be constituted once in every three years with not more than ten members, consisting of equal number of chartered accountants and educationists. Clause 7 of the Bill empowers the Council to make such rules as may be necessary for the purpose of giving effect to the above provisions. The matters in respect of which rules may be made are of a routine nature. The delegated legislation is, therefore, of a normal character.

S. N. MUKERJEE,
Secretary.